

806 KAR 30:080. Financial requirements for insurance premium finance companies.

RELATES TO: KRS 304.30-040

STATUTORY AUTHORITY: KRS 304.30-070

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.30-070 provides that the Executive Director of Insurance may make reasonable rules and administrative regulations necessary for or as an aid to the effectuation of the provisions of KRS 304.30. This administrative regulation establishes minimum financial requirements that an applicant for an insurance premium finance company license must meet to show that it is competent, trustworthy, and intends to act in good faith in the capacity involved in the license applied for.

Section 1. Definitions. The term "insurance premium finance company" has the meaning set forth by KRS 304.30-020(1).

Section 2. (1) In order to be considered trustworthy, competent, and to intend to act in good faith as an insurance premium finance company, an applicant for an insurance premium finance company license must show, through certification by an independent certified public accountant, that the prospective insurance premium finance company has a net worth of \$50,000 and has established a line of credit of at least \$100,000 with a bank which is a member of the Federal Reserve System.

(2) Notwithstanding the provisions of Section 2(1) of this administrative regulation, an applicant may be considered to be trustworthy, competent, and to intend to act in good faith as an insurance premium finance company if he shows, by certification by an independent certified public accountant, that the prospective insurance premium finance company has a net worth of \$150,000.

Section 3. Insurance premium finance companies currently licensed to do business in Kentucky shall meet the financial requirements established by this administrative regulation as soon as practicable, but no later than December 31, 1984.

Section 4. Upon meeting the financial requirements established by the administrative regulation, insurance premium finance companies shall maintain at least the financial requirements established by this administrative regulation.

Section 5. This administrative regulation shall become effective upon its approval pursuant to KRS Chapter 13A. (9 Ky.R. 656; eff. 12-1-82; TAm eff. 8-9-2007.)